

**Survey Results about the Effects of the Economic Recession
on the Folk and Traditional Arts: 2008-2009**
prepared by Amy Kitchener and Betsy Peterson

Everyday, in every community of the United States, folk and traditional artists and the organizations that support them are carrying on artistic practices and cultural heritage that communities value. These artists and traditions feed the collective spirit of our nation, providing vital connections between generations and among diverse cultures, contributing to the cultural and economic wellbeing of countless American communities. But right now, this vital work is threatened.

As the recession deepens, extending its reach globally to every economic sector, leaders working in the folk and traditional arts wanted to take stock of its effects on this field by asking:

How is the recession affecting the lives of individual traditional artists?

And the work of cultural organizations?

What is the breadth of public and private funding cuts in the folk and traditional arts?

What measures are organizations taking to adapt to the economic downturn?

While many people were sharing stories about the effects, it was time to take a more comprehensive snapshot of the folk and traditional arts field through a survey that could provide hard data.

Survey Methodology and Data

An ad hoc volunteer task force, spearheaded by the Alliance for California Traditional Arts (ACTA), the Fund for Folk Culture (FFC) and the National Council for the Traditional Arts, was formed to develop a survey addressing these questions. Staff from the American Folklife Center at the Library of Congress, the Washington State Commission on the Arts Folk & Traditional Arts Program, the Western Folklife Center and independent folklorist Pat Jasper offered additional input as the survey developed. Surale Phillips (Decision Support Partners) and Jerry Yoshitomi (MeaningMatters, LLC) assisted the group in survey design, data processing, tabulation and interpretation of results. The survey was distributed through Survey Monkey, a consumer survey instrument, over the internet. The costs of the survey were shared by ACTA and FFC.

Distribution. The survey was distributed broadly though targeted email listservs and group email lists. State arts agencies were asked to share the survey with their folk arts grantees and individuals were asked to share the survey with their networks. The survey was posted online for a time limited period, from January 31-February 9, 2009. The survey represents the experiences of a broad cross-section of people and organizations involved in the folk and traditional arts at a challenging moment in time. It provides a view of how people and organizations are faring and how they are impacted by the current economic recession.

Who Filled Out the Survey?

Respondents representing 5 key sectors of the field included:

1. Individual traditional artists and ensembles (32%)
2. Nonprofit organizations providing folk & traditional arts programs or services (49%)
3. Local, State and Federal Government agencies that provide dedicated services and grants to this field (10%)
4. Private Foundations with dedicated folk & traditional arts grantmaking programs (1%)
5. Independent folklorists and consultants working in service to the field (7%)

Survey Respondents by Type

Type of Respondent	Count	Percent
Non-Profit Organization	238	48.9%
Government Agency	49	10.1%
Foundation	4	0.8%
Independent Contractor (Not an Artist)	35	7.2%
Individual Artist/Artist Group/Ensemble	158	32.4%
Unknown	3	0.6%
Total	487	100%

Geographic Representation. In total, 487 respondents submitted surveys from 44 states and the District of Columbia. 76% of the responses are from 10 states, with California accounting for 38%. The other nine states with the largest response rates are Connecticut (3%), Kentucky (3%), Louisiana (5.5%), New York (10.5%), Pennsylvania (2.5%), South Carolina (5%), Tennessee (3%), Washington (3%) and Wisconsin (2%).

Organizational Staff and Budget Size. Among organizations that responded (including non profits, folk arts programs in government agencies and larger institutions), roughly 52% have budgets of \$100,000 or less. The vast majority have budgets of \$500,000 or less (80%). These percentages correspond with surveys focusing on the folk and traditional arts that have been done over the past decade.* Staff size is also small, ranging from 1-19 per organization, with an average of 4. *FOOTNOTE (Changing Faces survey, FFC Guidestar scan 1999, and FFC grantee survey 2000).

Organization Survey Respondents by Budget Size

Organizational Budget	Count	Percent
Under \$100,000	157	51.6%
\$100,000-\$499,999	86	28.4%
\$500,000-\$999,999	22	6.7%
\$1 Million and Over	39	12.8%
Total	304	100%

For more information about the survey, contact Amy Kitchener, Alliance for California Traditional Arts (559-237-9813, akitch@actaonline.org) or Betsy Peterson, Fund for Folk Culture (512-472-8757, bpeterson@folkculture.org).

PRELIMINARY KEY FINDINGS

GENERAL OBSERVATIONS

1. *The health of the nation’s living cultural heritage is at risk*—as overall income declines and job loss increases among artists, practitioners, cultural organizations, and funders.

Income Decline

- 74% of all respondents reported a decrease in overall income for 2008.
- 86% expect overall income to decrease in 2009.
- Government agency respondents expect significant decreases in 2009.

Job Loss

- The field of folk and traditional arts will likely shrink by 16%.
- Organizations reported 7% loss of full-time jobs in 2008 and expect a 9% loss in 2009, due to layoffs and attrition. Nonprofit organizations with budgets under \$100,000 are experiencing the earliest and greatest losses.

2. *The health of the nation’s living cultural heritage is at risk*—as a field already stretched thin becomes increasingly fragile.

Lack of healthy cash reserves

- 38% of organization respondents report no cash reserve on hand. Only 11% report cash reserves for more than 6 months.

Cash Reserve Status for Organizations

	Non-Profit Organizations/Gov't Agencies	
Cash Reserves	(n=226)	Percentage
We do not have cash reserves	86	38.1%
We have 1-3 month cash reserves	48	21.2%
We have 4-6 month cash reserves	26	11.5%
We have more than 6 month cash reserves	25	11.1%
Don't know	41	18.1%

Organization closures

- 11% of organization respondents have suspended operations or are considering suspending operations or merging with another organization.

Reduced services, increased needs

- As 91% of folk arts programs at government agencies are experiencing budget cuts or expect cuts, they are experiencing a sharp *increase in demand* for services as artists and nonprofits struggle. Conversely, artists and independent contractors are experiencing *65% decrease in demand*.

TRADITIONAL ARTISTS, ENSEMBLES AND INDEPENDENT CONTRACTORS

3. *The health of the nation's living cultural heritage is at risk*—as traditional artists, cultural practitioners and contractors turn to other types of income generating activities.

- 82 % of artists report a decrease in overall income.
- 65% report a decrease in demand for services, which represents the single most important source of income for artists.
- 37% are seeking work outside area of specialty.

NONPROFIT SECTOR

Including local, regional and national service organizations, presenters, museums as well as performing arts ensembles, crafts collectives, and organizations devoted to artistic learning and transmission.

4. *The health of the nation's living cultural heritage is at risk*—as income and job loss cause sharp reductions in services and programs.

- Job losses in small budget organizations have been the most severe, with an estimated loss of over 43% of the work force between 2008 and 2009.
- Large budget organizations over \$1M are also struggling. 80% report decreases in income in 2008, rising to 90% in 2009.
- The top two sources of income for nonprofits are government and foundation grants. 68% of organizations report decreases in 2008 grant funding. In 2009, 83% of organizations report declines.
- Cost cutting measures by nonprofits are weakening the capacity of organizations with 25% reporting reductions in force. 33% report reductions in programming.

	Non-Profit Organizations/Gov't Agencies	
Recession Impacts 2008	(n=287)	Percentage
Reduced general organizational expenses	155	54.0%
Reduced programming	94	32.8%
Put expansion on hold	86	30.0%
Hiring freeze	76	26.5%
Reduced staff	71	24.7%
Cost sharing with other organizations	58	20.2%
Reduced staff hours	44	15.7%
No actions were taken	31	10.8%
Reduced staff benefits	30	10.5%
Reduced office hours	29	10.1%
Replacing staff with independent contractors	22	7.7%
Considered/will suspend or close organization/area	20	7.0%
Considered/will merge with other organization	12	4.2%
Let go of office/working out of home	11	3.8%

FUNDERS AND STATE GOVERNMENT AGENCIES

5. *The health of the nation's living cultural heritage is at risk--as the support network of funding agencies and intermediary organizations diminishes.*

- As 46 state governments face budget shortfalls, state arts agencies, the primary funding and support resources for many small nonprofits involved in the folk and traditional arts, are facing drastic reductions in funding, staff positions and services. (*See Center on Budget and Policy Priorities*) For several agencies, these cuts are coming on the heels of reductions earlier in the decade. A few states, including Delaware, Florida, Hawaii, Oregon, and Rhode Island, have recent vacancies for state folklorist positions or hiring freezes in place.
- 50% of government and nonprofit survey respondents providing grants and funding support report an average of 18-20% declines in their funding from 2008 to 2009, and a majority expect additional cuts in 2010. 4 of these respondents cite 90-100% cuts.
- The Fund for Folk Culture, the only national nonprofit providing dedicated grant support to the folk and traditional arts (including the Artists Support Program), is closing its doors after 17 years. Four other private foundations providing dedicated regional support for individual folk and traditional artists report declines in their support. One of the four is putting their program on hiatus pending review.